

# Delta Workforce Investment Area

## Audit Requirements Policy

### I. SCOPE AND PURPOSE:

This policy sets forth the requirements for audits of WIA subcontractors in the Delta Workforce Investment Area (DWIA) in accordance with OMB regulations and the Mississippi Department of Employment Security, Office of Grant Management.

### II. BACKGROUND:

To establish uniform requirements for audits, Congress enacted the Single Audit Act (SAA) of 1984 and SAA Amendments of 1996 (PL 104-156). This legislation combined previous audit requirements into a single requirement applicable to all recipients of Federal financial assistance, regardless of the type of organization. The Office of Grant Management (OMB) issued Circular A-133, "Audits of States Local Governments, and Non-Profit Organizations," to implement the requirements of the SAA. The guidelines set forth in Circular A-133 include:

- ▶ Each entity that expends \$300,000 or more of Federal funds under more than one Federal program in any fiscal year must obtain an independent organization-wide financial and compliance audit (single) of such fiscal year.
- ▶ Any entity that expends \$300,000 or more under only one Federal program that is not subject to a requirement for a financial statement audit may elect to have a program-specific audit.
- ▶ The audits are to be submitted within one month after receipt of the auditor's report or no later than nine months after the end of the auditee's fiscal year.
- ▶ Recipients of Federal financial assistance must also ensure that all sub-recipients comply with audit requirements, such as having a timely audit in accordance with the requirements of the SAA.

In the June 27, 2003 Federal Register, the OMB issued final revisions to Circular A-133. A copy of the document may be viewed at <http://www.whitehouse.gov/omb/circulars/a133/a133.html>. One revision increased the threshold for audit from \$300,000 to \$500,000. This revision is effective for fiscal years ending after December 31, 2003. Early implementation was not permitted for this revision.

As sub-recipients of Federal funds from the Delta Workforce Investment Area (DWIA), Contractors are required to comply with the audit requirements set forth in Circular A-133 and subsequent amendments and revisions to same. This memorandum serves as a written reminder to all such organizations that their independent audits must be conducted and reports submitted to the DWIA in a timely manner.

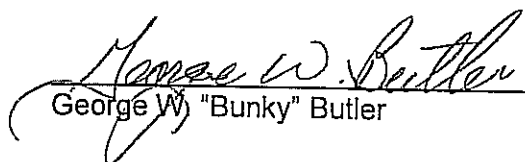
### III. REQUIRED ACTION

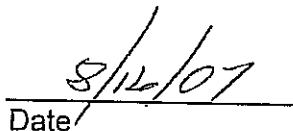
The Contractor should ensure that an independent audit is completed and submitted to the DWIA following the guidelines described above. The DWIA should receive the audit within one month after receipt of the auditor's report or no later than nine months after the end of the auditee's fiscal year.

Failure to submit the audit within the required time period will result in a letter to the Executive Director of the organization and to each board member of the organization notifying them that the organization is out of compliance with audit requirements. Non-compliance may result in suspension or termination of current and/or future contracts with the DWIA.

**IV. Effective Date**

This policy is effective August 16, 2007

  
George W. "Bunky" Butler

  
Date